

# SENATE BILL REPORT

## SHB 2378

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As of April 12, 2007

**Title:** An act relating to construction of new vessels for Washington state ferries.

**Brief Description:** Expediting new vessel construction for Washington state ferries.

**Sponsors:** House Committee on Transportation (originally sponsored by Representatives Flannigan, Jarrett, Clibborn, Eddy, Seaquist and Roberts).

**Brief History:** Passed House: 4/11/07, 91-6.

**Committee Activity:**

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Janice Baumgardt (786-7319)

**Background:** The design-build ferry procurement process is divided into three phases. In order to begin the process, the Department of Transportation (DOT) issues a notice of intent to submit a request for proposal (RFP).

In phase one, the DOT evaluates and selects pre-qualified proposers to participate in development of technical proposals. The DOT rules outline pre-qualification requirements, which include both a technical and financial test. In phase two, qualified proposers prepare technical proposals in consultation with the DOT, sufficient to generate a firm, fixed price bid to the DOT. Phase three includes the submission and evaluation of bids, award of the contract, and design and construction of the automobile ferries.

In order to be considered, bids must conform with the technical proposals submitted in phase two and proposers must have qualified through phase two. The DOT may select the lowest total bid price and award the contract or reject any or all of the bids, republish the RFP, or revise or cancel the RFP. The DOT may provide an honorarium to reimburse each unsuccessful phase three proposer for a portion of its technical proposal preparation costs.

**Summary of Bill:** The DOT is authorized to consider and accept or reject a single proposal jointly submitted by the qualified proposers. The DOT is also authorized to make revisions to the RFP, and pay an honorarium to a proposer or proposers with whom the DOT engages in unsuccessful negotiations.

The qualified proposers are authorized to meet and confer regarding matters reasonably related to submitting a single proposal and implementing a final contract. The proposers are required to declare their intent to submit a proposal within 30 days of the effective date of the

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legislation and provide any information required by the DOT. If, at the end of the 30-day period the proposers have not declared their intent and provided the required information or the DOT has determined that the proposers' plan is unacceptable, no further discussions between the proposers is allowed.

The provisions related to ferry vessel procurement through the design-build process are modified to allow for the negotiation of a contract if there is only a single qualified proposer or proposal. The DOT is also authorized to negotiate incentives and cost-sharing provisions with the proposer.

The DOT is required to submit a copy of the contract, along with the negotiated price, to the Office of Financial Management ten days prior to the execution of the contract. If the negotiated price is higher than the adopted expenditure plan for vessel construction, the DOT may not execute the contract until the Legislature reviews the proposal and adjusts the expenditure plan.

If the DOT and the proposer or joint proposers are not able to reach an agreement, the DOT may republish, revise, or cancel the RFP process.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.